

PROPOSED AMENDMENT

Twenty-second Amendment to amend Article XI
 INDEMNIFICATION OF OFFICERS AND DIRECTORS, of the Articles of
 Incorporation of Marbrisa Homeowners Association, Inc. to
 increase the protection officers and directors have under the
 indemnification provision of the By-Laws.

Article XI, of the Articles of Incorporation are hereby
 amended in part to read as follows:

ARTICLE XI - INDEMNIFICATION OF OFFICERS AND DIRECTORS

A. The Association hereby indemnifies agrees to indemnify
 any Director or officer made a party or threatened to be made a
 party to any threatened, pending or completed action, suit or
 proceeding; whether civil, criminal, administrative or
 investigative brought to impose a liability or penalty on such
 person for an act alleged to have been committed by such person
 in his capacity as Director or officer of the Association, or in
 his capacity as director, officer, employee or agent of any other
 corporation, partnership, joint venture, trust or other
 enterprise which he served at the request of the Association,
 against judgments, fines, amounts paid in settlement, and
 reasonable expenses, including attorneys' fees actually and
 necessarily incurred as a result of such action, suit or
 proceeding or any appeal therein, if such person acted in good
 faith in the reasonable belief that such action was in the best
 interests of the Association, and in criminal actions or
 proceedings, without reasonable ground for belief that such
 action was unlawful. The termination of any such action, suit or
 proceeding, by judgment, order, settlement, conviction, or upon a
 plea of nolo contendere or its equivalent shall not in itself
 create a presumption that any such Director or officer did not
 act in good faith in the reasonable belief that such action was
 in the best interests of the Association or that he had

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 existing law;
 Words in underscored type are additions.

reasonable ground for belief that such action was unlawful. Such person shall not be entitled to indemnification in relation to matters as to which such person has been adjudged to have been guilty of gross negligence or willful misconduct in the performance of his duty to the Association unless and only to the extent that the court, administrative agency, or investigative body before which such action, suit, or proceeding is held shall determine upon application that despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such tribunal shall deem proper.

B. The Board of Directors shall determine whether amounts for which a Director or officer seeks indemnification were properly incurred; and whether such Director or officer acted in good faith and a manner he reasonably believed to be in the best interests of the Association; and whether, with respect to any criminal action or proceeding, he has no reasonable ground for belief that such action was unlawful. Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding. In the event that all the Directors were parties to such action, suit or proceeding, such determination shall be made by the members of the Association by a majority vote of a quorum.

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